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November 8, 2019

### VIA ELECTRONIC FILING

The Honorable Jocelyn D. Boyd Chief Clerk/Administrator **Public Service Commission of South Carolina** 101 Executive Center Drive Columbia, South Carolina 29211

Re: South Carolina Energy Freedom Act (H.3659) Proceeding to Establish Dominion Energy South Carolina, Incorporated's Standard Offer, Avoided Cost Methodologies, Form Contract Power Purchase Agreements, Commitment to Sell Forms, and Any Other Terms or Conditions Necessary (Includes Small Power Producers as Defined in 16 United States Code 796, as Amended) - S.C. Code Ann. Section 58-41-20(A); Docket No. 2019-184-E

In accordance with Commission Order No. 2019-111-H, Dominion Energy South Carolina ("DESC" or the "Company") herewith submits its comments to the November 4, 2019 "Independent Third Party Consultant Final Report Pursuant to South Carolina Act 62" (the "Report") produced by Power Advisory, LLC. DESC also submits herewith a Motion to Strike the Report because Power Advisory failed to comply with its statutory obligation in this docket. By copy of this letter, we are serving all parties of record in this matter with a copy of these filings and attach a certificate of service to that effect.

However, and while it is discussed more fully in the enclosed comments, DESC wishes to address in particular Power Advisory's conclusion and statement that it believes the Company failed to satisfy the transparency requirement set forth in S.C. Code Ann. § 58-41-20(J). These

<sup>\*</sup>ALSO ADMITTED IN TEXAS

<sup>\*\*</sup>ALSO ADMITTED IN WASHINGTON, D.C.

<sup>\*\*\*</sup>ALSO ADMITTED IN CALIFORNIA

<sup>\*\*\*\*</sup>ALSO ADMITTED IN NORTH CAROLINA

<sup>&</sup>lt;sup>1</sup> DESC recognizes that because the Commission is prohibited from communicating with Power Advisory throughout the course of these proceedings, the Commission had no means to ensure that Power Advisory remained within the proper scope of its role and authority pursuant to § 58-41-20(I).

The Honorable Jocelyn D. Boyd November 8, 2019 Page 2 of 4

comments, which appear particularly on pages 35-36 of the Report, assert that DESC did not meet this standard because its "avoided cost filing did not fully provide a sufficient level of transparency 'so that underlying assumptions, data, and results can be independently reviewed and verified by the parties and the commission." Report at 36 (quoting § 58-41-20(J)).

While the Company disagrees with many of the conclusions reached by Power Advisory in its Report, it finds this assessment particularly troubling and, respectfully, believes that it has no basis in fact. Throughout every stage of these proceedings, DESC has worked diligently and in good faith to provide any and all data, assumptions, results, documents, studies, and any other information requested or required by the Commission, by Power Advisory, and by each and every party to these proceedings, so that all stakeholders and participants are able to meaningfully participate in these proceedings, and so that they can fully evaluate the Company's positions in this case. In that spirit, DESC fully and completely responded to each and every discovery and information request that it received, including those submitted by Power Advisory. Some parties, as their review and evaluation of the information in this case developed, requested additional information from DESC. This is not at all uncommon, and DESC likewise worked diligently to provide reasonable, timely responses and additional information as requested. At the time of the hearing in this case, DESC had fully and fairly responded to all outstanding discovery requests, and any conflicts with any other party about these requests had been resolved. As of the writing of this letter, DESC is likewise unaware of any pending, unanswered request for discovery or information, or of any ongoing dispute with any party concerning the information that DESC has provided. Highlighting this fact, Brian Horii, testifying on behalf of the Office of Regulatory Staff at the hearing, agreed that DESC's filings in this docket were reasonably transparent for independent review and analysis as required by Act No. 62. See Tr. at 695.6 (Q. "In your opinion, were the Company's filings in this docket reasonably transparent for your independent review and analysis? A. Yes.").

The Company was thus surprised and disappointed to learn that Power Advisory believes that DESC has failed to comply with its statutory obligations to provide reasonably transparent information in these proceedings. Certainly, if there was additional information that Power Advisory believed was necessary in order for it to complete its analysis in this case, DESC would have expected Power Advisory to ask for that information. Had it received such an additional request, the Company would have worked quickly and diligently—as it did with respect to every other request for information that it received—to provide the information that Power Advisory required. DESC received no such additional request, and is therefore frankly perplexed by Power Advisory's conclusion in this regard.

As more fully addressed in the enclosed comments to the Report, as well as the Motion to Strike, DESC observes that Power Advisory itself failed to comply with its statutory obligation in these proceedings to generate "independently derived conclusions as to [its] opinion" of the appropriate calculation of avoided costs in this case. S.C. Code Ann. § 58-41-20(I). Rather, the

<sup>&</sup>lt;sup>2</sup> As demonstrated by the email chain attached hereto as Exhibit A, DESC responded expeditiously to Power Advisory's last set of discovery requests, and Power Advisory confirmed that it was able to access the information provided by DESC. The Company concluded this exchange by specifically asking Power Advisory to advise DESC if anything further was required. Power Advisory never requested any additional information from the Company.

The Honorable Jocelyn D. Boyd November 8, 2019 Page 3 of 4

Report simply recounts the testimony of the parties in this case, and then selects the position which it wishes to advance on each topic. In short, Power Advisory assumes the role of advocate, judge, and jury rather than that of a qualified "independent" analytical expert. This was not the job it was hired to perform, however, and the Report contains no independent study or evaluation of the appropriate method for calculating DESC's avoided costs in these proceedings, which is what is called for by the statute.

Apparently aware of this, the Report asserts that Power Advisory lacked sufficient information to complete such an evaluation, and that it lacked sufficient time in which to complete it. *See, e.g.*, Report at iii, 23, 39. Certainly, every party to this case is aware of the compressed timeframe in which these proceedings were required to be completed, and the challenges that this presented for all parties involved. That, however, is no reason to place blame on the Company for Power Advisory's inability to complete the assignment with which it was tasked. DESC has been and remains fully committed to transparent, cooperative, and diligent efforts to reach the right result in this case—that is, one that accurately and appropriately calculates its avoided costs so that South Carolina ratepayers do not pay more for electricity than they are supposed to. The assertion that the Company has failed in any way to comply with its statutory obligations for transparency in this case is simply unfounded, and we would ask that the record reflect this important, and easily verifiable, fact.

If you have any questions regarding this matter, please advise.

Very truly yours,

WILLOUGHBY & HOEFER, P.A.

s/Mitchell Willoughby

Mitchell Willoughby

MW/lla attachments

cc: Weston Adams, III, Esquire
Stephanie Roberts Eaton, Esquire
Nanette S. Edwards, Esquire
Scott Elliott, Esquire
Stinson Woodward Ferguson, Esquire
James H. Goldin, Esquire
Carrie Harris Grundmann, Esquire
Jeremy C. Hodges, Esquire
J. Blanding Holman, IV, Esquire
Jeffrey M. Nelson, Esquire

The Honorable Jocelyn D. Boyd November 8, 2019 Page 4 of 4

> Jenny R. Pittman, Esquire Benjamin L. Snowden, Esquire Richard L. Whitt, Esquire Derrick Price Williamson, Esquire Lauren Joy Bowen, Esquire Maia Danaid Hutt, Esquire

# EXHIBIT A

From: GISSENDANNER, MATTHEW W (SEG Services - 6)

To: Carson Robers; Natanel Lev; Andrew R. Hand; Zeigler, Belton; Snowden, Ben

(BSnowden@kilpatricktownsend.com); cgrundmann@spilmanlaw.com; Derrick Williamson; J. Blanding Holman; Jamey Goldin; jnelson@ors.sc.gov; jpittman@ors.sc.gov; Jeremy Hodges; BURGESS, KENNETH CHAD (SEG Services - 6); lbowen@selcnc.org; mhutt@selcnc.org; Mitchell Willoughby (mwilloughby@willoughbyhoefer.com); Edwards, Nanette; Richard Whitt; Scott Elliott; seaton@spilmanlaw.com; Stenson W. Ferguson; Weston Adams

Luwarus, Nariette, Richard Willt, Scott Lillott, Sea

Cc: Stark, David; John Dalton

Subject: RE: PSC 2019-184-E Second Request for Production & Second Interrogatories

**Date:** Friday, October 11, 2019 1:56:00 PM

Attachments: image002.png

image003.png image004.png

### Carson:

Thank you for confirming that Power Advisory is able to access the files and the information contained therein. Please let us know if anything further is required.

### Matt

**From:** Carson Robers <crobers@poweradvisoryllc.com>

**Sent:** Friday, October 11, 2019 1:49 PM

To: Natanel Lev <nlev@poweradvisoryllc.com>; GISSENDANNER, MATTHEW W (SEG Services - 6) < MATTHEW.GISSENDANNER@scana.com>; Andrew R. Hand <AHand@Willoughbyhoefer.com>; Zeigler, Belton <Belton.Zeigler@wbd-us.com>; Snowden, Ben (BSnowden@kilpatricktownsend.com) < BSnowden@kilpatricktownsend.com>; cgrundmann@spilmanlaw.com; Derrick Williamson < dwilliamson@spilmanlaw.com>; J. Blanding Holman <bhoodynamelesc.com>; Jamey Goldin < jamey.goldin@nelsonmullins.com>; jnelson@ors.sc.gov; jpittman@ors.sc.gov; Jeremy Hodges < jeremy.hodges@nelsonmullins.com>; BURGESS, KENNETH CHAD (SEG Services - 6) < chad.burgess@scana.com>; lbowen@selcnc.org; mhutt@selcnc.org; Mitchell Willoughby (mwilloughby@willoughbyhoefer.com) < mwilloughby@willoughbyhoefer.com>; Edwards, Nanette < nedwards@ors.sc.gov>; Richard Whitt < richard@rlwhitt.law>; Scott Elliott < selliott@elliottlaw.us>; seaton@spilmanlaw.com; Stenson W. Ferguson < sferguson@selcsc.org>; Weston Adams < weston.adams@nelsonmullins.com>

**Cc:** Stark, David <david.stark@psc.sc.gov>; John Dalton <jdalton@poweradvisoryllc.com> **Subject:** RE: PSC 2019-184-E Second Request for Production & Second Interrogatories

\*\*\*This is an EXTERNAL email from Carson Robers (<u>crobers@poweradvisoryllc.com</u>). Please do not click on a link or open any attachments unless you are confident it is from a trusted source.

Thank you for the prompt response to Power Advisory's Second Request for Production and Second Interrogatories.

While the individual .mrg files are able to be accessed as text files imported into Excel, the native file format is not understood to be directly supported by MS Excel. This email reconfirms our access to the hourly marginal production data (which was previously provided) and is intended to benefit the other parties which may be accessing such files.

Best,

### Carson

### **Carson P. Robers**

Senior Consultant | (617) 396-7936 crobers@poweradvisoryllc.com



From: Natanel Lev < nlev@poweradvisoryllc.com >

**Sent:** Friday, October 11, 2019 12:22 PM

To: GISSENDANNER, MATTHEW W < MATTHEW.GISSENDANNER@scana.com>; Andrew R. Hand < AHand@Willoughbyhoefer.com>; Zeigler, Belton < Belton.Zeigler@wbd-us.com>; Snowden, Ben (BSnowden@kilpatricktownsend.com) < BSnowden@kilpatricktownsend.com>; cgrundmann@spilmanlaw.com; Derrick Williamson < dwilliamson@spilmanlaw.com>; J. Blanding Holman < bholman@selcsc.org>; Jamey Goldin < jamey.goldin@nelsonmullins.com>; jnelson@ors.sc.gov; jpittman@ors.sc.gov; Jeremy Hodges < jeremy.hodges@nelsonmullins.com>; BURGESS, KENNETH CHAD (SEG Services - 6) < chad.burgess@scana.com>; lbowen@selcnc.org; mhutt@selcnc.org; Mitchell Willoughby (mwilloughby@willoughbyhoefer.com) < mwilloughby@willoughbyhoefer.com>; Edwards, Nanette < nedwards@ors.sc.gov>; Richard Whitt < richard@rlwhitt.law>; Scott Elliott < selliott@elliottlaw.us>; seaton@spilmanlaw.com; Stenson W. Ferguson < sferguson@selcsc.org>; Weston Adams < weston.adams@nelsonmullins.com> Cc: Stark, David < david.stark@psc.sc.gov>; John Dalton < jdalton@poweradvisoryllc.com>; Carson Robers < crobers@poweradvisoryllc.com>

**Subject:** Re: PSC 2019-184-E Second Request for Production & Second Interrogatories

Received. Thank you, Matt.

Nathan Lev, JD, MES.



Consultant 55 University Ave, Suite 605 – PO BOX 32 Toronto, ON, Canada M5J 2H7

Email: nlev@poweradvisoryllc.com

Mobile: 416-887-3199

Web: <u>www.poweradvisoryllc.com</u>

From: "GISSENDANNER, MATTHEW W" < MATTHEW.GISSENDANNER@scana.com >

Date: Friday, October 11, 2019 at 12:10 PM

**To:** Natanel Lev <<u>nlev@poweradvisoryllc.com</u>>, "Andrew R. Hand" <a href="mailto:</a> <a href="mailto:AHand@Willoughbyhoefer.com">, "Zeigler, Belton" <a href="mailto:Belton.Zeigler@wbd-us.com">, "Belton.Zeigler@wbd-us.com</a>, "Snowden, Ben (<u>BSnowden@kilpatricktownsend.com</u>)" <<u>BSnowden@kilpatricktownsend.com</u>>, "cgrundmann@spilmanlaw.com" <cgrundmann@spilmanlaw.com>, Derrick Williamson <dwilliamson@spilmanlaw.com>, "J. Blanding Holman" < bholman@selcsc.org >, Jamey Goldin < jamey.goldin@nelsonmullins.com >, "inelson@ors.sc.gov" <inelson@ors.sc.gov>, "ipittman@ors.sc.gov" <ipittman@ors.sc.gov>, Jeremy Hodges <a href="mailto:leremy.hodges@nelsonmullins.com">jeremy.hodges@nelsonmullins.com</a>, "BURGESS, KENNETH CHAD (SEG Services - 6)" <chad.burgess@scana.com>, "lbowen@selcnc.org" <lbowen@selcnc.org>, "mhutt@selcnc.org" <mhutt@selcnc.org>, "Mitchell Willoughby (mwilloughby@willoughbyhoefer.com)" <mwilloughby@willoughbyhoefer.com>, "Edwards, Nanette" < nedwards@ors.sc.gov >, Richard Whitt < richard@rlwhitt.law >, Scott Elliott <selliott@elliottlaw.us>, "seaton@spilmanlaw.com" <seaton@spilmanlaw.com>, "Stenson W. Ferguson" <sferguson@selcsc.org>, Weston Adams <weston.adams@nelsonmullins.com> **Cc:** "Stark, David" <<u>david.stark@psc.sc.gov</u>>, John Dalton <<u>jdalton@poweradvisorvllc.com</u>>, Carson Robers < <a href="mailto:crobers@poweradvisoryllc.com">crobers@poweradvisoryllc.com</a>>

**Subject:** RE: PSC 2019-184-E Second Request for Production & Second Interrogatories

All:

Please find attached DESC's Responses to Power Advisory's Second Set of Interrogatories and Second Request for Production.

Thanks, Matt

**From:** Natanel Lev <<u>nlev@poweradvisoryllc.com</u>>

Sent: Thursday, October 10, 2019 4:52 PM

**To:** Andrew R. Hand <<u>AHand@Willoughbyhoefer.com</u>>; Zeigler, Belton <<u>Belton.Zeigler@wbdus.com</u>>; Snowden, Ben (<u>BSnowden@kilpatricktownsend.com</u>)

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<weston.adams@nelsonmullins.com>

**Cc:** Stark, David <<u>david.stark@psc.sc.gov</u>>; John Dalton <<u>jdalton@poweradvisoryllc.com</u>>; Carson Robers <<u>crobers@poweradvisoryllc.com</u>>

**Subject:** PSC 2019-184-E Second Request for Production & Second Interrogatories

\*\*\*This is an EXTERNAL email from Natanel Lev (<u>nlev@poweradvisoryllc.com</u>). Please do not click on a link or open any attachments unless you are confident it is from a trusted source.

Dear All,

Kindly accept this email and attachments as a notice of Service of Second Request for Production and Second Interrogatories from Power Advisory to Dominion Energy South Carolina, Inc.

Recognizing that hearings on this matter begin on Monday October 14<sup>th</sup>, we request, with the full support of the Commission, that DESC respond <u>as expeditiously as possible</u> and make available this response to the parties as expeditiously as possible (e.g., use of FTP site). We request that you notify the parties shortly after receipt when you will be able to respond to this request.

Thank you,

Nathan Lev, JD, MES.



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